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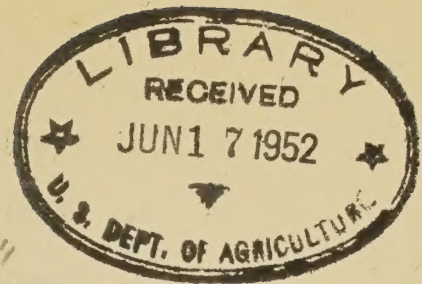


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3 Outline  
of  
Basic Elements  
Constituting  
the  
Rural Electrification Administration



I Executive and Legislative Authorization

- A. Executive Order 7037 of May, 1935.  
Created under authority of the Emergency Relief Appropriation Act of 1935 to make loans for the purpose of furnishing central station electricity to rural areas.
- B. Statutory provision for the agency was made in the Rural Electrification Act of 1936.  
The life of REA was extended to ten years.
- C. Title IV of the Work Relief and Public Works Appropriation Act of 1938 authorized under the REA Act of 1938 further borrowing from the Reconstructions Finance Corporation and added a requirement that borrowers from REA agree to use materials and supplies produced in U. S.
- D. The independent status of the REA was changed on July 1939 under Reorganization Plan No. II whereby REA was made in the Department of Agriculture.  
an Administration
- E. Title V of the Department of Agriculture Organic Act of 1944.  
Liberalized the terms of REA loans and removed the time limitation from its lending program.
- F. The Department of Agriculture Appropriation Act approved July 30, 1947, further amended the Rural Electrification Act by transferring from the RFC to the Secretary of the Treasury the authority to make loans to REA.
- G. The Rural Electrification Act was further amended in October, 1949, to authorize REA to make loans for the purpose of furnishing and improving rural telephone service.

II. Programs

- A. Electrification
  - 1. Lending activities
    - (a) Expediting area coverage
  - 2. Developing construction techniques
  - 3. Overcoming power shortage
  - 4. Expanding system capacity to meet load growth
  - 5. Loan servicing responsibilities
    - (a) Insuring security through prompt servicing

6. Providing management advisory assistance for borrowers
7. Developing systematic maintenance programs for borrowers
8. Developing power use programs for borrowers

B. Telephone

1. Similar programs as in electrification

III. Organization

A. Office of Administrator

1. Consulting Economist and Telephone Consultant
2. Program Analyst
3. Legislative Consultant
4. Engineering Staff
5. Executive Offices
  - (a) Budget Staff
  - (b) Management Engineering Staff
  - (c) Internal Audit Staff

B. Staff Divisions

1. Administrative Services Division
2. Information Services Division
3. Personnel Division
4. Technical Standards Division

C. Line Divisions

1. Accounting and Auditing Division
2. Application and Loan Division
3. Engineering Division
4. Management Division
5. Power Division



## D. Regional Organization

1. Accounting and Auditing Division Field Staff
2. Applications and Loans Division Field Staff
3. Engineering Division Field Staff
4. Management Division Field Staff
5. Power Division Field Staff

IV. External Relations

## A. Congress

## B. Federal Agencies

1. TVA
2. Interior
3. Bonneville
4. Extension Service
5. Treasury
6. Southeastern Power Administration
7. Federal Communications Commission
8. Federal Power Commission
9. National Production Administration
  - (a) Defense Electric Power Administration
10. Bureau of the Budget
11. Southwestern Power Administration

## C. State Governments

## D. State Regulatory Commissions

## E. County Government

## F. National Rural Electrification Co-op Association

## G. Industry

## H. Borrowers

## I. Farm Groups

V. Budgetary Structure

1. General programs by Bureau of the Budget
2. General guidelines by Department of Agriculture
3. Program and limitations established by Budget Office, REA
4. Detailed budget preparation by Division
5. Submission to Budget Officer, REA
6. Compiled into REA budget and forwarded to Department

## VI. Internal Management

- A. Administrative Policy Formulation
  - 1. Office of the Administrator
  - 2. Division heads
  - 3. Administrative policies
  - 4. Divisional bulletins
  - 5. Divisional memoranda
- B. Staff Relationships
  - 1. Office of the Administrator
  - 2. Staff divisions
  - 3. Line divisions
- C. Loan Docket Procedure
- D. Production Control
  - Based on the "exception principle"
- E. Time distribution by activity
- F. Procedures
- G. Reporting systems
- H. Review systems
  - 1. Conferences
  - 2. Analysis through budget and work load
  - 3. Analysis through systematic studies and reviews
- I. Personnel Policies
  - 1. Promotion from within
  - 2. Supervisory training







